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PACIFIC  **TELESIS**
Group-Washington

March 11, 1996

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF SECRETARY

Mr. William F. Caton
Acting Secretary
Federal Communications Commission
1919 M Street, NW, Room 222
Washington, DC 20554

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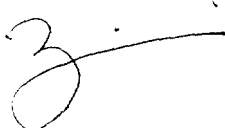
Dear Mr. Caton:

Re: *WT Docket No. 96-18, Revision of Part 22 and Part 90 of the Commission's Rules to Facilitate Future Development of Paging Systems; PP Docket No. 93-253, Implementation of Section 309(j) of the Communications Act - Competitive Bidding*

On behalf of Pacific Bell and Nevada Bell, please find enclosed an original and six copies of their *"Reply Comments on Interim Licensing Rules"* in the above proceeding.

Please stamp and return the provided copy to confirm your receipt. Please contact me should you have any questions or require additional information concerning this matter.

Sincerely,



Enclosure

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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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OFFICE OF SECRETARY

In the Matter of

Revision of Part 22 and Part 90 of the
Commission's Rules to Facilitate Future
Development of Paging Systems

WT Docket No. 96-18

Implementation of Section 309(j)
of the Communications Act --
Competitive Bidding

PP Docket No. 93-253

PACIFIC BELL AND NEVADA BELL REPLY COMMENTS
ON INTERIM LICENSING RULES

Pacific Bell and Nevada Bell support the request of Emery Telephone¹ for clarification that the proposed applications freeze does not apply to BETRS (Basic Exchange Telephone Radio Service) applications. The Commission suspended acceptance of new applications for paging channels but it is not clear that the suspension applies to channels used for BETRS.²

We agree with Emery that BETRS is important in enabling carriers to provide basic exchange telephone service to subscribers in remote or rural areas. Without BETRS, basic exchange service may not be available or affordable for rural subscribers. The Commission must

¹ Comments of Emery Telephone, March 1, 1996.

² Notice of Proposed Rulemaking, para. 139.

have a clear and convincing basis to justify a decision that results in withholding basic communications service even for an interim period. While the Commission intends to proceed expeditiously with the resolution of this rule making, it may be months before this proceeding is concluded. During that time, remotely located residents may be denied all telephone service.

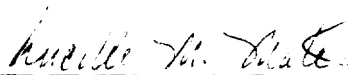
A freeze on BETRS applications conflicts with the Communications Act's fundamental mandate that service be available to all citizens. The basis for freezing applications is not compelling when weighed against the detriment of being deprived of basic exchange service. Moreover, a freeze would place a far heavier burden on residents in remote or rural areas because of the threshold nature of the service provided by BETRS. For these reasons the Commission should not freeze applications for BETRS services during the pendency of these proceedings.

The potential for applying for BETRS licenses during the pendency of this proceeding, however, is not limited to rural telephone companies like Emery. The characteristics of the subscriber to be served, not that of the carrier, should be paramount in determining whether a BETRS application is appropriate and should be approved. BETRS should be available to all local exchange carriers to fulfill their universal service obligations. For example, both Pacific Bell and Nevada Bell currently use BETRS to provide basic exchange service to residents in our remote or rural territories. We should be able to apply for BETRS licenses to serve rural or remote areas if the need arises during the pendency of this proceeding.

The Commission should clarify that it will continue to accept BETRS applications from any local exchange carrier if BETRS is needed to meet public demand.

Respectfully submitted,

PACIFIC BELL
NEVADA BELL



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Date: March 11, 1996